

City of Minneapolis FY2013 Federal Agenda

As Adopted on February 24, 2012 and Amended on August 17, 2012

This memorandum outlines areas of Federal government in which the City of Minneapolis has a particular interest or local concern. The Office of Intergovernmental Relations within the City of Minneapolis welcomes any questions on the on these or other issues pending before Congress.

Thank you for helping to build a better Minnesota.

If you have any questions or need additional information, please don't hesitate to contact:

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OVERVIEW

The 112th Congress began its work in January 2011 with a new Republican majority in the House and a reduced Democratic Senate majority. With concern about the economy, job creation, the federal deficit and the role of government the Congress has indicated that it will restrain federal spending and attempt to modify or eliminate several federal domestic programs. The House also approved a rule that bans "earmark" appropriations. The Senate adopted a similar position.

In his 2011 State of the Union address, President Obama sounded similar themes. The President proposed a five year freeze on domestic spending and recommended changes to the individual and corporate tax codes. He also threatened to veto legislation that contains "earmarks."

In August 2011 the Congress and the President after weeks of debate agreed to legislation – The Budget Control Act (BCA) – that raised the debt ceiling, limited federal spending and established a Congressional committee to recommend a multi-year budget reduction plan. The committee included six House and six Senate members and was charged to submit its recommendations to the Congress by November 23, 2011. If the committee did not meet its deadline, the BCA required across the board reductions in most spending categories starting in 2013. Since the committee did not meet its deadline the across the board cuts would occur unless the law is amended. Many of the expenditures of the Defense Department are subject to the reductions but many entitlement programs such as medical assistance and Social Security are exempt from the reductions. Therefore it is possible that Congress may attempt to amend the law to exclude additional expenditures or modify the "across the board" automatic reductions.

Congress did, however, adopt a FY2012 appropriations bill without significant policy changes and reductions to most programs. Left to be completed are numerous reauthorization bills including but not limited to transportation and the Federal Aviation Administration.

During the 2012 Congressional session the Congress will need to adopt appropriations for FY2013, determine the status of the pending reauthorizations and debate the President's FY2013 budget. The budget which was released on February 13 recommends numerous reductions, consolidations and savings to existing programs. The President's FY 2013 Budget also proposes new policies to continue to grow the economy. It is probable that Congressional proposals will contain more program reductions than proposed by the President and the reductions could impact programs utilized by the city. It is also likely that the extension of tax expenditure programs could be offset by reductions city programs such as public health and community development.

FEDERAL PROGRAM GRANTS RECEIVED, APPLIED FOR, OR ANTICIPATED IN MINNEAPOLIS

UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Community Development Program

The Community Development program consists of the community development block grant (CDBG), Housing Opportunities for Persons with Aids (HOPWA), Emergency Solutions Grant (ESG) and the Home Investment Partnership (HOME) program. The four programs approximate \$20.0 million annually.

The city of Minneapolis has participated in the CDBG program for 37 years. CDBG resources has been used to support such activities as new housing development, housing rehabilitation, employment training, small business creation, infrastructure improvements, public services, and clean-up of contaminated sites. The funds have been matched by private, state and regional resources.

The ESG program provides funds for housing for the homeless inclusive of capital improvements to housing shelters throughout the city.

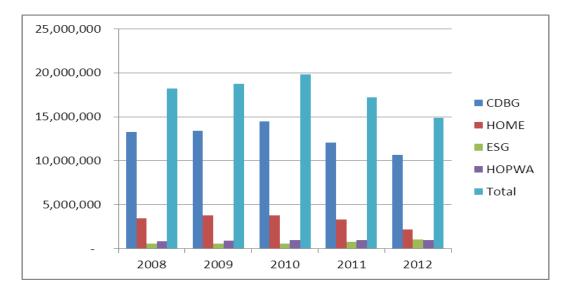
The city of Minneapolis administers the HOPWA program for the metropolitan region. The funds are used to provide housing vouchers throughout the region for eligible clients.

HOME funds have been used to fund, rehabilitate and construct owner occupied and rental housing.

Over the past three years, the city has experienced a decline in federal support for all community development programs. The following table presents funding levels for the community development programs from 2008 to 2012.

Minneapolis CDBG, HOME, ESG & HOPWA

	2008	2009	2010	2011	2012
CDBG	13,293,272	13,406,710	14,439,575	12,042,491	10,667,450
НОМЕ	3,445,731	3,802,361	3,780,884	3,342,988	2,164,727
ESG	595,800	591,861	587,765	812,813	1,042,870
HOPWA	873,000	903,558	977,370	1,006,587	1,019,484
Total	\$18,207,803	\$18,704,490	\$19,785,594	\$17,204,879	\$14,894,531



Since 2010, all programs except the emergency shelter grants have been reduced at the national level. For example, the city's CDBG grant has declined by 26.2 % during the three year time frame while unemployment and foreclosures in CDBG eligible neighborhoods have increased at a greater rate than state and national rates. Overall the four programs have experienced a 25% decline.

Recommendation: The city recommends that:

- the CDBG program be funded at no less than the 2010 funding level.
- local governments should be permitted, if CDBG is reduced, in FY2013 flexibility to allocate CDBG funds among the existing program categories such as public services.
 For example a local government can allocate CDBG for public services equal to or less than its FY2010 dollar allocation for public services.
- the multiagency initiatives such as Sustainable Communities and Choice Neighborhoods be continued.

Housing Programs

In addition to the housing programs included in the Community Development Program, the city has participated in such programs as the Section 8 housing program, the HOPE VI program and McKinney-Vento program. The city has submitted an application for the Choice Neighborhoods program which will be funded through the HOPE VI program.

Recommendation. The city recommends that the housing programs be funded at no less than the FY 2010 funding level.

Public Housing

The Minneapolis Public Housing Authority (MPHA), the state's largest public housing agency, owns and operates 6207 public housing units. The MPHA has received \$50.0 million in American Reinvestment and Recovery Act (ARRRA) funds to rehabilitate existing units, develop a senior center and a green memory care center.

Recommendation: The city supports funding for public housing capital and operating budgets.

Housing Stabilization

The foreclosure crisis has adversely impacted neighborhoods in cities and suburbs throughout the nation. In Minneapolis approximately 9400 housing units have been foreclosed from 2008 through 2011. Many of the foreclosures are located throughout the city. The city has used federal, state, private and city resources to purchase and rehabilitate the properties. The major

source of federal funding is the Neighborhood Stabilization Program (NSP) which has provided funding to cities since 2008.

Recommendation: The city recommends that the NSP be:

- funded in FY 2012 at no less than the 2010 funding level.
- amended to permit the use of funds for more foreclosure activities including emergency crisis repairs, mortgage foreclosure counseling, employment services and foreclosure assistance to stabilize renters and prevent homelessness.
- amended to address investor competition by developing strategies for home buyers to compete with immediate cash offers, changing the definition of foreclosure to include short sales, and addressing regulations that slow the purchase process for NSP developers and home buyers.
- amended so that requirements to create sustainable housing for households at or below 50% of the area median income (AMI) does not result in concentrating those homes in neighborhoods with the highest concentrations of poverty.

UNITED STATES DEPARTMENT OF TRANSPORTATION (U.S. DoT)

Reauthorization of the Transportation Act

The federal transportation act, the Safe Accountable Flexible Efficient Transportation Equity Act – a legacy for Users (SAFETEA-LU) expired on September 30, 2009, but has been extended several times. The latest extension expires in March 2012. Both the House and Senate are in the process of "mark-up" of reauthorization legislation. The Senate Environment and Public Works Committee passed in November 2011 the highway portion of the reauthorization and referred the bill to the Banking Committee which has jurisdiction over transit. The Banking Committee should complete its "mark-up" by early February. The House Transportation and Infrastructure Committee began "mark-up" on February 2, 2012.

The Senate and House bills propose to consolidate programs, reduce the time required to approve projects and attempt to leverage public funds to secure private investment in the public infrastructure. The Senate bill authorizes a funding level for transit similar to current law while the House reduces transit funding. Both bills reauthorize the act for two years and will need additional revenue to fund their bill's provisions.

Recommendation: In framing a reauthorization bill, Congress should develop a bill that has the following objectives:

- Provides resources for transit projects of regional significance including but not limited to light rail, bus rapid transit, bicycles and street cars.
- Appropriate resources for transit and highways that are no less than current levels.
- Continues funding of transit from the Highway Transit Fund and Mass Transit Account.
- Increases safety on the nation's highways.
- Allocate resources among state and regional agencies.
- Reduce congestion that slows commuting and the movement of goods.
- Provides transportation choices for commuters and travelers.
- Limits the impacts of transportation on the environment.
- Promotes livable communities including funding for biking and walking infrastructure and programs like Safe Routes to Schools.
- Provides funding and authority for regions and cities to plan and implement projects that are linked to housing and employment centers.

The bill should also continue the Highway Trust Fund and Mass Transit Account.

<u>Transportation Investments Generating Economic Recovery (TIGER)</u>

The U.S. Department of Transportation has funded three rounds of the TIGER program. The initial TIGER grant program was funded through the ARRA while the subsequent rounds were included in the U.S. Department of Transportation appropriation bill in FY2010 and FY2011. TIGER has been funded in FY2012 for \$500.0 million. The objectives of both programs are to support projects that will have a significant impact on the nation, a metropolitan area or a region. The grants can be used for a highway or bridge, transit, passenger and rail freight and port infrastructure investments. The continuation of the program or a similar program would be an important means of improving the nation's aging infrastructure. Hennepin County has received a TIGER grant to assist in constructing the multi-modal station or "interchange" in Minneapolis.

Recommendation: The appropriations and reauthorization bill should continue the TIGER program. The transportation reauthorization bill should provide for a TIGER program or infrastructure investment program that has the objective of funding infrastructure projects that have national or regional significance.

Federal Transit Administration (FTA)

The FTA provides operating and capital funds for transit programs in metro and rural areas. The Twin Cities region's transit system is a recipient of FTA funds to purchase equipment (buses and rail cars) and operate and maintain the region's transit system. Capital funds through the New Starts and Small Starts programs have supported the planning and construction of the Hiawatha and Central Light Rail Transit Corridors and planning funds for future corridors such as Southwest and Bottineau and alternative analysis studies for the Nicollet-Central Urban Circulator.

Recommendation: The FTA should continue funding its transit operations and capital equipment programs. The federal commitment to the construction of new and expanded transit lines (LRT, streetcars and Bus Rapid Transit) should be increased.

Twin Cities Metropolitan Area Transportation Projects

The Metropolitan Council adopted in December 2010 amendments to the Regional Transportation Policy Plan. The plan identifies transportation improvements that will increase the region's mobility and reduce congestion. The Metropolitan Council identified priority corridors that should be the focus of the region's transportation investments. The corridors include the I-35W South Bus Rapid Transit (BRT), Central Corridor, Bottineau, Southwest, Cedar Avenue BRT, I-35 North 36/NE Corridor, Highway 65/ Central Avenue, Rush Line, Red Rock and Midtown. By 2030 the plan envisions three additional LRT lines and possible transit improvements to the other corridors. To complete the transit plan additional federal and state funding will be needed.

Recommendation: The City of Minneapolis recommends continued federal funding for the priority transit projects including support for the multi-modal transit station at I-35W over Lake Street and related mitigation measures.

Intercity Passenger Rail Service

The State of Minnesota is studying the feasibility of high speed inner city rail between the Twin Cities and Chicago and between the Twin Cities and Duluth. The studies are in progress and should be completed within the next two years. The Duluth project is being guided by a multi government joint powers organization that includes Minneapolis. The St. Louis County Regional

Rail Authority is the lead agency for the project. Federal funding is needed to continue the planning process as outlined by the Federal Rail Administration.

Recommendation: The city supports the appropriation request by the Intercity Passenger Rail Service Joint Powers Board.

UNITED STATES DEPARTMENT OF HOMELAND SECURITY (DHS)

Congressional Actions FY2012

The Congress in adopting the DHS FY2012 appropriations reduced the funding level of DHS' twelve local government programs by approximately \$1.0 billion to \$965.0 million. Rather than allocating the appropriation among the twelve programs Congress directed the Secretary to allocate the funds within 60 days of passage of the act. The City of Minneapolis has been engaged through national organizations and an ad-hoc coalition of local governments to advocate the funding of UASI at a level that supports the 31 Urban Areas included in the FY2011 UASI program and provides funding for Metropolitan Medical Response Program and cities that were included in the FY2010 program but not the FY2011 program.

Among the Congressional concerns are the accumulating amount of unspent funds by recipients and the use of funds. During committee hearings, staff reported that upwards of up to \$3.0 billion has been appropriated and not been spent since the start of the programs. There is also concern that UASI funds are being used for operations and maintenance and should be limited to equipment.

Urban Area Security Initiative (UASI)

The city of Minneapolis is an eligible city for the Urban Area Security Initiative (UASI). The formula grant is awarded annually to cities that meet criteria developed by the Department. Among the criteria are the number and type of facilities such as power plants, research centers and transportation infrastructure.

Minneapolis has received since the program began in 2002 approximates \$65.0 million from UASI and the Metropolitan Medical Response System (MMRS) grants. The City has used UASI funds to secure public buildings, train public safety personnel, purchase equipment and improve communication systems.

In addition to UASI and MMRS, the City of Minneapolis has received funding for the emergency operations center.

Fire Safety Administration

The DHS administers the Staffing for Adequate Fire and Emergency Response (SAFER) grant program. SAFER provides funding for fire departments to increase their firefighter complement or retain firefighters that could be terminated due to budget reductions. The program has required matching funds and a commitment to keep the firefighters for a period of time after the grant expires.

The city has benefitted from the research and training provided by the National Fire Academy. City personnel have attended training programs offered by the academy.

Recommendation: The city recommends that:

- UASI be funded for FY2012 by the Department of Homeland Security at no less than \$600.0 million or 10% less that the FY2011 level.

- The state and local homeland security programs be funded at the FY2013 level (\$500.0 million above FY2012) as proposed by the President.
- UASI provide formula funding for cities and regions having a high risk analysis and establish a competitive grant program for cities and regions that have received UASI funding in prior years and have developed a regional implementation plan related to homeland security.
- The UASI program continue to fund equipment, operations and maintenance of UASI related equipment and facilities.
- The Metropolitan Medical Response Program be funded at its FY2011 level of \$35.0 million.
- SAFER be funded at no less than its 2010 levels and be focused on the retention of firefighters.
- The local match requirements for SAFER be modified to recognize the fiscal capacity of local units of government.
- The Fire Academy be funded at no less than its 2010 funding level.

UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES

Public Health Grants

The Minneapolis Department of Health and Family Support supports many of its services through federal programs through either the U.S. Department of Housing and Urban Development (HUD) or the U.S Department of Health and Human Services and the Centers for Disease Control and Prevention (CDC). Lead prevention and remediation is a HUD and CDC funded program that serves mostly city and some county residents. In addition to remediation, a portion of the grant is used to conduct a coordinated effort of the city and county to conduct outreach and prevention to children and pregnant women regarding lead and other healthy homes issues such as asthma and radon.

The Department also operates four federally funded public health programs. Like the lead prevention program, the Twin Cities Healthy Start program serves residents beyond the city's limits. The program operates in Minneapolis and St. Paul and is a collaborative of public and private agencies committed to a comprehensive and coordinated approach to reduce infant mortality among African American and American Indian families. The project offers prenatal health training to care providers, and case management and supportive services to approximately 400 women a year.

The Health Department also receives Community Transformation Grant (CTG) funds in conjunction with Hennepin County and the Bloomington Health Department. CTG is a five year grant funded through the Prevention and Public Health Trust fund created by the Affordable Care Act. CTG will fund obesity and tobacco prevention strategies designed to prevent chronic diseases with a focus on reaching areas of Minneapolis and Hennepin County with the greatest health disparities.

The Public Health Preparedness program has aided several Minnesota cities including Minneapolis to plan and implement public health programs as part of an emergency preparedness program. Recently, the federal appropriation to the state which is passed on to local public health agencies is 17% less than last year, and 46% less than five years ago when it was at its peak. This will curtail our ability to respond to future public health emergencies and to continue to meet expanding federal expectations.

The federal Maternal and Child Health Block Grant funds programs to address the health concerns of children, infants, mothers and pregnant women. In Minneapolis it supports the work of the School Based Clinics in 7 high schools along with several community programs addressing medical and dental care access, male reproductive health and the mental and chemical health of high-risk prenatal women.

Recommendation: The city recommends that the public health programs be continued and be funded at a level that is no less than the FY2011 appropriation. The city also recommends that the Department of Health and Human Services provide grants directly to cities that have successfully operated public health programs.

UNITED STATES DEPARTMENT OF JUSTICE

Edward Byrne Memorial Grant / Community Oriented Police Services (COPS) Program

The <u>C</u>ity of Minneapolis has received federal funding from the Edward Byrne Memorial grant and the Community Oriented Police Services (COPS) program. The Byrne grant is an annual formula grant distributed to local governments through the states. The city has received approximately \$776,000 in FY2011 for public safety programming. The COPS program has been used to support the hiring and retention of police officers. Both programs are administered by the Justice Department's Office of Justice Programs (OJP).

The City has received Congressional grants (earmarks) for police technology including squad car cameras, shot detection and computers. Byrne funds available through the ARRA were used to support police officers. The appropriation for the Byrne and COPS has varied from year to year and the amount allocated to the city is shared with the county. In addition, the City Health Department has received several gang prevention grants from the Office of Juvenile Justice and Delinquency Prevention. Among the grants is the BUILD program that provides case management and an educational curriculum for children.

Recommendation: The city recommends that the Byrne and COPS programs be funded at no less than 2010 appropriation levels and that the Justice Department direct that more of the funds be allocated for police and related public safety services.

UNITED STATES SMALL BUSINESS ADMINISTRATION (SBA)

<u>Small Business Innovation Research (SBIR)/Small Business Technology Transfer</u> Innovation Research (STTR) <u>Programs</u>

The U.S. Small Business Administration (SBA) Office of Technology administers the SBIR and STTR programs. The programs are competitive grants that ensures that the nation's small business, high tech, innovative businesses are a significant part of the federal government's research and development efforts. Several federal agencies including the National Aeronautical and Space Administration (NASA) and the Department of Defense participate in the programs.

Although the city cannot directly participate in the program, small high tech companies can qualify for federal assistance.

Recommendation. The SBIR/STTR programs administered by the Small Business Administration should continue to be funded.

POLICY INITIATIVES

Health Care

The City of Minneapolis supports the Affordable Health Care Act and opposes its repeal. The city supports adequate funding for the newly created Prevention and Public Health Trust fund section of the law and recommends that the Trust Fund focus on public health prevention and opposes the use of the Trust for non-public health purposes.

Telecommunications Policy

Congress has been interested in telecommunications law revisions. In previous Congressional sessions, bills were introduced that would limit local cable franchising. More recently the concept of Internet "net neutrality" has become the focus of debate among the Federal Communications Commission (FCC), the telecommunications industry, and the Congress. The concept is defined to mean that companies providing Internet service should treat all sources of data equally. The FCC supported the concept but a federal appeals decision in April 2010 restricted the FCC's authority over broadband service.

The FCC adopted a rule in December 2010 that continues net neutrality for fixed line providers but for wireless providers the FCC rules do not explicitly prohibit "paid prioritization" which would permit a company to pay for faster data transmission. As a result of the December FCC rule it is possible that Congress could alter the rule or further limit "net neutrality". Hearings are scheduled on the issue.

Recommendation: The city recommends that Congress continue the policy of Net Neutrality for both fixed line and wireless internet services.

The city also reaffirms its support that if amendments are made to the federal communications law that they:

- continue to permit local government to facilitate or offer advanced communications services to their citizens through local franchise agreements;
- preserve local authority to manage public safety rights of way for the benefit of everyone;
- reaffirm local government's ability to provide public safety services over the communications system; and
- recognize local roles in promoting universal access to a full range of communications services.

Healthy Food Initiatives

In an effort to call attention to the growing prevalence of obesity among the country's population the President's FY2011 budget proposed a three agency initiative that would assist urban areas to have more access to healthy food. The initiative includes the U.S. Department of Agriculture, the Treasury Department and the Department of Health and Human Services (HHS). The initiative would use existing programs of each agency in a coordinated manner to provide technical assistance and financing for farmers markets, urban agriculture, food processing, and grocery stores. The initial funding was to be available in early 2011 but the portion of the budget proposal to provide additional funding to the Department of Agriculture has not been adopted by Congress. However, funding for Treasury and HHS programs that set aside a portion of its appropriation for HFFI were included in the FY2011 and FY2012 appropriations. The FY2011 grant award of the two departments provided approximately \$30.0 million in federal funding for healthy food initiatives. No Minnesota based organization received funding.

For the programs of the US Department of Agriculture (USDA) to be effective in urban areas the department will need legislative changes. Amendments to permit program flexibility were included in an appropriation bill during the closing days of the 111th Congress but were not adopted.

With the possible reauthorization of the Farm bill in 2012 there could be an opportunity to include amendments that will enable the USDA and other agencies to provide assistance to producers, growers and processors so that urban consumers can have increased access to locally grown and healthy food.

The City of Minneapolis has developed with the assistance of community organizations and residents a blueprint for providing healthy affordable food to Minneapolis residents. "Homegrown Minneapolis" recommends several action steps to be implemented by the city and various stakeholders to increase urban agriculture and encourage the processing and marketing of homegrown food products.

Recommendation: The city recommends that the Congress, as part of the reauthorization of the Farm bill, include amendments that authorize the US Department of Agriculture and other federal agencies to work with local governments to increase the availability of locally grown and healthy food to urban areas and promote the development of food processing and grocery stores in urban areas.

Youth Violence Prevention

In response to an increase in youth violence in 2006 the Minneapolis City Council adopted a resolution that declared youth violence to be a public health concern. The city subsequently developed the "Blueprint for Action," a comprehensive, multifaceted, community-based plan to prevent youth violence. The Blueprint emphasizes the need for an array of community-based prevention programs, along with increased law enforcement efforts to prevent youth violence in Minneapolis.

The City of Minneapolis supports the following federal legislative initiatives and principles:

- 1. Designate youth violence as a national priority and a preventable public health issue, and align new and existing resources accordingly.
 - Create a mechanism for effective policy coordination and strategy alignment for youth violence issues with state and local governments, tribes, schools, community groups, faith communities and other supportive entities.
 - Support legislation promoting preventive policies and programs that reduce youth violence, delinquency, and involvement in the criminal justice system through positive preventive measures as opposed to punitive anti-gang legislation.
- 2. Enhance the capacity and infrastructure for local, state and federal public health administrations to address youth violence as a preventable public health issue.
 - Establish a funding stream or appropriations line item for youth violence prevention programs and activities to an appropriate agency.
 - Direct the determined agency to distribute funds to local and state public health administrations to support youth violence prevention programs and activities such as program development and evaluation, building infrastructure, and technology to improve coordination and monitoring efforts.

Energy and Environment Policy and Funding

Minneapolis is eager to do its part to reduce greenhouse gas emissions and improve air quality. Minneapolis supports the passage of climate change legislation that reduces greenhouse gas emissions in 2050 by approximately 80 percent of 1990 levels prior to the United Nations Climate Change Conference in December 2009.

The city also supports public policy that encourages the development of clean energy sources, decreases reliance on high carbon fuels and related infrastructure including transportation systems that improve air quality, protect the environment and conform to all federal and state regulations.

The city also supports public policy to move swiftly to fully employ and enforce the Clean Air Act, including but not limited to those sections pertaining to greenhouse gas pollution, and also urge Congress to support this initiative.

Fully Inclusive Employment Non-Discrimination Act (ENDA)

The City of Minneapolis has played a historic role in the struggle for equal rights. The city, for example, in 1975 was the first local government in the nation to enact civil rights protections for transgender people and was the second city to pass non-discrimination protections for gay, lesbian and bisexual people. The city firmly supports equality for all persons and recommends that Congress enact a fully inclusive Employee Non-Discrimination Act including gender identity protections.

Lawful Permanent Residents: Equal Treatment

Under current federal law gay and lesbian couples are not permitted to sponsor foreign-born life partners or spouses for residency in the United States. Congress is urged to support legislation that would permit such sponsorship provided that applicants would be subject to the same interview process as married couples; that the American partner would be required to sign an affidavit committing to support the foreign national partner for a specified amount of time and that the legislation does not redefine marriage.

Air Traffic Safety and Noise Concerns

The City of Minneapolis having thousands of residents living in close proximity to Minneapolis-St. Paul International Airport is concerned about three converging issues which if not properly addressed at the federal level may reduce the margin of safety at MSP as well as at other airports around the country. Specifically, these are the re-benchmarking of schedules to deploy Air Traffic Control facilities and equipment to upgrade our air traffic control system; the short staffing of air traffic control facilities and the labor/management issues with FAA and air traffic controllers; and lastly, the lowering of experience thresholds to attract pilots to the commercial carrier segment.

The city supports the accelerated implementation of Next Gen programs together with appropriate funding commitments from Congress to successfully implement the system. The city further recommends that the FAA work with the local governments adjacent to airports to provide accurate information regarding aircraft noise and propose programs and procedures to mitigate noise over residential neighborhoods.

Railroad Safety Zone

A new federal law requires all Federal Railroad Administration trains sound their whistles at intersections unless specific safety equipment is in place. The City would like a change to the law allowing cities to retain their Quiet Zone ordinances keeping trains from blowing their whistles, or federal money to help buy the necessary equipment.

Financing and Credit

Many banking institutions require credit criteria as a condition to opening a checking or savings account. Many employers also require a credit check before offering employment. In some instances a well qualified candidate may be denied a bank account or a job. Minneapolis supports Congress investigating the use of personal credit information and enacting policies to define the use of credit information with regard to opening a checking or savings account and in matters of offering employment.

Federal-Local Government Relationships

The federal government has a long tradition of providing local government with the resources to maintain and improve the quality of life of its residents. Federal policies related to housing, public safety, workers' rights, transportation and the environment, for example, have provided financial and legal resources to local governments. The City of Minneapolis has benefited from such federal actions and supports continued federal support. The City, however, opposes federal actions that are traditionally the responsibility of local governments. In developing policy, the federal government must recognize the role of local control over such matters as employee relations and land use.

Community Radio Act

The City supports legislation that would allow the establishment of low-power FM (LPFM) stations throughout the country. In 2000 the Federal Communications Commission (FCC) issued rules that would have permitted the establishment of the stations but subsequent legislation limited the implementation of the rule. The legislation required the FCC to only issue licenses to low powered stations that would not interfere with existing full power stations. A low powered station needs to be at least four intervals on the radio from a full power station. The legislation would support recommendations contained in a FCC study released in 2003 that concluded that the low powered stations would not cause interference with existing stations if they are three intervals away.

Employment Status as a Condition for Employment

The nation's unemployment rate has been above 9% for most of 2011 which means approximately 14 million Americans are officially unemployed. While the economy is attempting to rebound from the recession, employers and employment agencies and on-line posting firms are using recruitment methods to discourage or deny employment opportunities to unemployed persons.

The National Employment Law Project issued a briefing paper in July 2011 discussing the issue. The Institute based on a survey of job postings found numerous job postings that specifically required the applicants "must be currently employed". The job postings covered a wide range of positions that included, for example, cooks, doctors, lawyers, food service works, mechanics, paralegals, heating/air condition technicians and college professors.

To prohibit employers from excluding the unemployed from apply for jobs, enabling legislation has been introduced in Congress (Fair Equal Opportunity Act of 2011) and in a few states – New Jersey and Minnesota. The New Jersey law has passed while the Minnesota and federal proposals are pending. The federal proposal would make it unlawful for an employer to refuse to consider employment or refuse to offer employment to someone because the person is unemployed, or include in any job advertisement or posting a provision that unemployed persons will not be considered hired, or direct or request that an employment agency take into account an individual's unemployment status in screening or referring applicants for employment.

The City of Minneapolis supports federal legislation that prohibits unemployment status from being a condition for job applications or employment.

Federal Actions Defining Marriage

The City of Minneapolis opposes federal legislation or proposed constitutional amendments that would define marriage as solely between one man and one woman.

Asian Carp Prevention

During 2011 several federal, state and local agencies under the direction of the Governor worked on a plan to prevent the presence of Asian carp in the Mississippi River and its tributaries in Minnesota. If the Asian carp are able to enter Minnesota's rivers and lakes the state's eco- system and tourism industry could be adversely affected.

The plan developed by the multi-agency work group was presented to the Governor and the state's Congressional delegation in the fall of 2011. The Asian Carp Action Plan lays strategies and measures necessary to assess the Asian carp threat to Minnesota and to minimize their impacts in Minnesota.

The action plan lays out four areas of work that must be pursued including:

- 1) Early Detection and Response
- 2) Prevention and Deterrence
- 3) Mitigation and Control
- 4) Outreach and Communication

The City of Minneapolis supports the Asian Carp Action Plan as drafted on November 2, 2011 and the City strongly supports all preventive measures downstream that keep Asian Carp out of all Minnesota waterways.

Minneapolis also supports federal legislation granting the authority to the US Army Corps to temporarily close the St. Anthony Falls Lock and Dam and/or Lock and Dam #1 if certain Minnesota DNR established, and continually measured, criteria for the detection of Asian Carp are met (consistent with criteria within the federal legislation granting the closure authority).

Minneapolis will only support a permanent closure or a permanent fish barrier at the St. Anthony Falls and/or Lock and Dam #1 after the conclusion of a federally authorized and funded feasibility study of the impacts of such a closure on the City Minneapolis and the rest of the State of Minnesota (as partially outlined in section 2.1 of the report). This study must include an opportunity for local input and review. The city further recommends:

That any permanent closure of the St. Anthony Falls and/or Lock and Dam #1 must only be authorized when state and federal resources have been identified and funded to assist the City with any relocation, redevelopment and restoration costs made necessary by the ending or limiting of navigation above Lock and Dam #1.

Access to Voting

During 2011 thirty three state legislatures debated proposals to modify voting laws. Many of the modifications included measures to reduce hours for early voting, require additional documentation for voter registration drives, mandate voter identification to receive a ballot and eliminate same day registration. The legislative efforts have raised concern among such organizations as the League of Women Voters and legal advocacy groups including but not limited to the Brennan Center for Justice that the legislative actions could make it more difficult for the young, poor and elderly to vote.

The actions of the states have prompted several members of Congress to introduce legislation to counter the new state laws and calls for Congressional hearings. The state efforts are also being investigated by the US Department of Justice to determine if they violate the Voting Rights Act.

The City of Minneapolis supports measures to increase voter participation and opposes the implementation of voter identification. The City supports the efforts of the US Department of Justice to monitor state voting law changes to ensure that they are in compliance with the Voting Rights Act.

Remittance to Somalia

Minneapolis is home to the nation's largest population of Somali-Americans. Many Somali-Americans have migrated to Minnesota from Somalia and continue to financially support family and friends still residing in the country. The financial remittances are made despite the fact Somalia lacks any functioning banking system by using a parallel system known as Hawalas. Because of their fast network of agents and resources, Hawalas (Money Service Businesses) are able to deliver remittances to Somalia affordably and within very short period of time. The vast majority of remittances are small amounts of money that are sent to family and friends in Somalia and are used to provide basic needs – food, shelter, clothing and education. In addition to Somali expatriates, non-governmental agencies, UN agencies and other aid organizations use the Hawalas to fund their programs and projects inside Somalia and pay staff and contractors.

Recently financial institutions in Minnesota and Ohio have stopped their banking relationships with the Somali-American run Hawalas (MSBs) citing more stringent regulations under the Bank Secrecy Act and as a result many Somali families are without the means to meet basic needs.

The city of Minneapolis has passed a city council resolution supporting the city's Somali community in its efforts to help family and friends in their homeland and urges all concerned parties including federal agencies to find a solution that facilitates the normal flow of remittances without compromising the safety and security of the United States.

US Resettlement of Refugees

In July 2010 the Senate Committee on Foreign Relations issued a report regarding the resettlement of refugees and local communities. The report, entitled "Abandoned upon arrival: Implications for refugees and local communities burdened by a US Resettlement System that is not working," found that the federal government does not work closely with local governments on resettlement; resources for language training are inadequate; already financially strained educational systems are stretched to serve the refuge populations; and there appears to be a one-size fits all approach to the refugee population. The report recommended actions to address the findings.

Since the issuance of the report, the federal government has begun to make changes to the resettlement program. In its annual Proposed Refugee Admissions Plan to Congress in

September 2010, the Department of State acknowledged that there are "challenges addressing the needs of refugees after their arrival in the United States." To resolve the challenges the White House has led an interagency process to develop solutions which has involved consultations with stakeholders from outside the federal government. Among solutions adopted by the Administration have been several to the Office of Refugee Resettlement (ORR) in the Department of Health and Human Services. The ORR has implemented regular interagency meetings led by National Security staff, more frequent consultations with external stakeholders, the provision to local agencies of more complete information about the refugees before their arrival and greater attention to health care needs of refugees after their arrival.

The City of Minneapolis recommends the federal government continue its efforts to assist refugees who settle in the United States and increase interaction with local partners including local governments. The federal government should provide assistance that recognizes the various cultures and needs of the refugees.

Transparency in Elections

The 2010 decision of the United States Supreme Court in *Citizens United v. Federal Elections Commission* has restricted the ability of government at all levels – local, state, and federal – to regulate campaign financing. The *Citizens United* Court struck down limitations on corporate funding of political advertising and ruled that corporations have the same free speech protections as natural persons. *Citizens United* also overturned several provisions of the 2002 Campaign Reform Act.

To reduce the impact of *Citizens United* on campaign financing or, ultimately, to negate it through constitutional amendment, U.S. Senators and Representatives have introduced several bills and joint resolutions. To this end, Rep. Keith Ellison has introduced a Joint Resolution to amend the constitution to address the impacts of *Citizens United*.

In addition to constitutional amendments, legislation to improve the disclosure of campaign-related spending by corporations and outside groups, The "Disclose 2012 Act," has been introduced in the House and Senate. The House version (HR 4010), introduced by Rep Chris Van Hollen (D-MD), has 160 co-sponsors including Reps Ellison, Walz and McCollum. The Senate version (S.2219), introduced by Sen. Sheldon White House (D-RI), has 44 co-sponsors including Senators Franken and Klobuchar.

Senator AI Franken has been involved in many efforts to reduce the impact of *Citizens United* and was appointed in 2012 to a Senate task force to bring back transparency in elections. Efforts have included encouraging the Federal Elections Commission and the Federal Communications Commission to engage in rulemaking to implement disclosure and disclaimer requirements and asking the IRS to investigate whether organizations with tax-exempt status are engaging in a "substantial" amount of campaign activity.

To support transparency in elections, the City of Minneapolis Recommends:

- Amending the United States Constitution to ensure Congress and the States have the power to regulate political campaign contributions by for profit entities.
- Enactment of legislation, such as the Disclose 2012 Act, that requires increased disclosure and reporting of contributions and expenditures by private entities including nonprofit organizations and federal lobbyists.

Congressional oversight of federal agencies to ensure that there is access to campaign
expenditure information and rules and regulations are consistent with the intent of
federal legislation.

American Community Survey

The U.S. Census Bureau annually conducts the American Community Survey (ACS). The ACS is a nationwide survey that asks approximately 3.0 million persons questions related to, but not limited to, household composition, employment, transportation patterns and income. Responding to the survey is mandatory and the Census Bureau follows up with potential respondents to complete the form. Federal law includes a monetary penalty for not completing the form. And the same law classifies the answers as confidential.

The ACS began nationwide in 2005 and is a replacement for the decennial census' long form which requested similar information. The ACS unlike the long form which was used every ten years is an annual survey whose results are published as descriptive narratives, maps and tables. The survey information is used by public entities as well as private businesses. The City of Minneapolis uses the data to develop housing, public health and development programs. ACS information has been used by businesses to assist, for example, in decisions related to investments, facility location, expansion of existing facilities and marketing plans.

In debating the federal fiscal year (FY) 2013 budget the House eliminated funding for the ACS. The need to make domestic spending reductions coupled with some members citing "government intrusion into the lives of individuals" and questioning the constitutionally of the ACS are some of the reasons cited for the House action. In the Senate the ACS will probably be funded but there is concern that FY 2013 appropriations bill could make the ACS voluntary. In fact, legislation has been introduced in the House and Senate to make most of the survey voluntary. A voluntary survey raises concerns about costs to obtain a representative and valid number of responses and the validity of the data.

The city of Minneapolis supports the continuation of the American Community Survey. The city opposes efforts to make the survey voluntary.

DREAM Act

- On June 15, 2012 President Obama announced that the Department of Homeland Security will stop deporting young immigrants who meet certain conditions. In mid-August anywhere from 5,000 27,000 people in Minnesota will be able to submit an application to the US Customs and Immigration Service for "Deferred Action". Approved applicants will be able to qualify for what is known as "Deferred Action" based on the Department of Homeland Security's prosecutorial discretion measures. This means applicants will be eligible for a work permit, a social security number, and some protection against being deported. Applications will need to be renewed every two years.
- This is a major initiative that could, if fully implemented, prevent the unjust and unnecessary deportation of hundreds of thousands of young people who have lived in the United States for years, are productive members of our communities, and call America home. The policy directive is in lieu of the lack of congressional action on the federal DREAM Act.
- The City of Minneapolis recommends that in implementing the policy directive the Secretary of Homeland Security:

- Commit to complying with the implementation date of August 13, 2012. In the June 15, 2012 memo from Secretary of Homeland Security Janet Napolitano, Immigration and Customs Enforcement (ICE) and U.S. Citizenship and Immigration Services are directed to begin implementing the new prosecutorial discretion process within 60 days of the date of the memorandum. Complying with the August 13, 2012 implementation date will allow the young people affected by this new policy to make the proper decisions about their education options before the 2012-13 academic year begins.
- Commit to the broadest and most inclusive interpretation of the "deferred action" requirements.
 - It is understood that the Obama Administration is currently working to finalize the details of the requirements that will define who can and cannot be eligible for the deferred action policy. This is a critical time for the City of Minneapolis to weigh in on the decision-making process to ensure that all instructions and requirements be written and interpreted with deference and with the broadest, most inclusive interpretation possible to ensure wide eligibility and participation by the intended DREAMer population.
- The City of Minneapolis also recommends the passage of the federal DREAM Act.

Foreclosure Prevention: Principal Reduction for Fannie Mae and Freddie Mac Mortgages

Fannie Mae and Freddie Mac own or insure approximately 60% of the nation's residential mortgages. As a result of the foreclosure crisis, the two agencies and private mortgage firms have been urged by housing advocates and governments to develop policies to assist homeowners to remain in their homes. Among the policies have been mortgage modification programs that include lower monthly payments, forbearance, principal reduction, shared equity and a combination of the programs. A recent court settlement involving mortgage lenders, the states and the federal government will provide refinancing and form of principal reduction to homeowners whose homes are "underwater" – mortgage value exceeds home value. The principal reduction program is available to loans serviced by banks but loans backed by Fannie Mae and Freddie Mac are not eligible for the program.

The FHFA despite its own analysis indicating that the program is cost effective has not offered a principal reduction program. The FHFA analysis of a principal reduction program concluded that it would reduce the agencies losses and benefit the homeowner. The FHFA administrator raised concerns about the principal reduction including administration and costs and that a reduction program could encourage homeowners who are current on their mortgage to default so that they can apply for the debt reduction program.

Several members of Congress including Rep. Ellison have recommended that the FHFA authorize Freddie Mac and Fannie Mae to offer a principal reduction program. They cite the potential savings, community benefit of the program and available funding from the Treasury.

The City of Minneapolis recommends that the FHFA establish a principal reduction program for Fannie Mae and Freddie Mac owned or insured residential mortgages.

Federal Minimum Wage

The federal minimum wage as defined in the Labor Standards Act is \$7.25 per hour or \$15,000 for a full time annual wage. The annual wage is below the poverty guidelines for most households. The limit was last raised in 2009. The minimum wage, however, for workers who receive tips is \$2.13 and was last adjusted in 1991. Neither minimum is indexed. For example, if the minimum wage were adjusted for inflation over the last forty years the minimum wage would be more than \$10.00 per hour. In fact, legislation introduced in the U.S. Senate would increase the minimum wage in three steps so that it would be \$9.80 in 2014. In subsequent years the minimum wage would be adjusted for inflation.

The City of Minneapolis supports the passage of and signing by the President of federal legislation raising and indexing the federal minimum wage for hourly workers and the subminimum wage for tipped workers.

Sexual Exploitation of Youth

The City of Minneapolis supports legislation that works to end the sexual exploitation of youth by building a system that responds effectively to their needs, including sufficient resources and training for law enforcement and service providers.

The United States Department of Justice Office of Justice Programs noted in 2011, as many as 300,000 children are at risk for sexual exploitation each year in the United States. And in Minnesota, the Advocates for Human Rights and the Minnesota Office of Justice Programs of the Minnesota Department of Public Safety estimate that 124 girls were sold on the internet in the month of August 2010 alone, which is a 55% increase since February 2010.

Federal legislation such as the Trafficking Victims Protection Act (TVPA), the Mann Act, and the PROTECT Act are the primary federal policies regarding human trafficking. The TVPA was authorized in 2000 and has been reauthorized three times. However the TVPA expired in September 2011. Legislation has been introduced that would extend the Act but it has not passed. The Mann Act makes it a felony to knowingly transport any person in interstate or foreign commerce for prostitution, or for any sexual activity for which a person can be charged with a criminal offense. This law is frequently used as an effective tool to prosecute sex traffickers. The PROTECT Act was enacted in 2003 to combat the sexual exploitation of children. Among other things, the Act requires courts to impose mandatory sentences for sex offenders and makes it a crime to travel abroad to engage in sexual conduct with minors. The Act amends the criminal code to increase supervision of convicted sex offenders for specific felonies. In addition, the Act creates minimum standards and grants for states to expand their Amber Alert system for missing children.